of difficulties being experienced by these countries to supply necessary imports to India. As a result, exports to Rupee Payment area declined by 39% in rupee terms and about 54% in US dollar terms during April-September, 1991 over the corresponded period in 1990. During April-September, 1991, exports to General Currency Area increased by 39.4% in rupee terms and 5.4% in US dollar terms.

(b) The reasons for low growth in exports include decline in exports to countries in Rupee Payment Area, decline in global output and exports, recession in major developed countries, depressed world prices for some of our agricultural products, import curbs imposed on account of critical Balance of Payments situation which affected our domestic production, and steep hike in interest rates on export credit, etc.

(c) The Government introduced a package of trade policy reforms aimed at strengthening of export incentives, eliminating substantial volume of import licensing and optimal import compression. REP licences have been replaced by a new instrument named Eximscrips. These will be the means of obtaining access to certain categories of imports of raw materials, components and spares. The system of advance licensing as an instrument of export promotion has also been strengthened. Government has decided to allow established exporters to open foreign currency accounts in approved banks and allow exporters to raise external credits, pay for export related imports from such accounts, and credit export proceeds to such accounts. Besides, Government have taken other steps which include reducing controls through licensing, simplification of procedures for export, activisation of Board of Trade, bilateral discussion with selected countries, interaction with national organisations of trade and industry,etc.

Expenditure Tax Payable by Air-Conditioned Hotels

232. SHRI SHARAD DIGHE:Will the Minister of FINANCE be pleased to state:

(a) the number of hotels in Bombay which were partly or fully air-conditioned before October, 1, 1991;

(b) the number of hotels which have done away with air-conditioners to avoid payment of 15 per cent expenditure tax payable from October,1,1991 on food and drinks sold in hotels and restaurants which have air-conditioners;

(c) the estimated collection of this tax during the current financial year; and

(d) the estimated loss to the Government on account of closing of air-conditioned hotels in Bombay?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) , (b) and (d). No such data is available in the Ministry. However, all possible steps are being taken to ensure that persons liable to Expenditure-tax do not escape from their liability.

(c) Rs. 150 crores.

[*Translation*]

Trade With Japan, France and USA

233. SHRI VILASRAO NAGNATHRAO GUNDEWAR: Will the Minister of COMMERCE be pleased to state:

(a) the figures regarding trade conducted by India with Japan, France and USA during the last two years; and

(b) the steps being taken to promote trade and remove the imbalance in trade in hard currency and soft currency areas?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM) : (a) India's trade with Japan,

France and USA during the last two years has been as follows:-

(*Rs. Crores*)

Name of the Country	*Export*		*Import*	
	1989-90	1990-91	1989-90	1990-91
Japan	2726.69	3025.25	2819.70	3245.53
France	638.32	765.44	1611.75	1305.02
USA	4474.38	4795.52	4259.48	5236.98

(b) Apart from the liberalised trade and industrial policy, other export promotion measures are undertaken like exchange of business delegations, participation in fairs and governmental level discussions for improving bilateral trade.

[*English*]

Violation of RBI Norms by Foreign Banks

234.SHRI MORESHWAR SAVE: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India in its internal report of October, 1990 has pointed out that foreign banks are flouting RBI norms;

(b) if so, whether the Government propose to probe into the functioning of foreign banks;

(c) if so, the details thereof; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Reserve Bank of India have reported that their review of the working of foreign banks for the year ended March 1990, revealed failure to achieve priority sector lending targets, low export sector finance and general apathy to continue to finance sick units on the part of a number of foreign banks. Certain irregularities were also noticed in the areas of bill financing and portfolio management. As a result of the review, Reserve Bank of India issued in January, 1991 revised and exhaustive guidelines to all scheduled commercial banks stating inter-alia that any violation of the said guidelines would be viewed very seriously by the RBI.

(b) There is an inbuilt system for inspections of foreign banks by the Reserve Bank of India at intervals of two years. The banks are advised to take suitable steps to rectify or remove the adverse features pointed out in the inspection reports within a reasonable time frame. Serious irregularities are also discussed with the management of the banks.

(c) and (d). Do not arise in view of replies to (a) and (b) above.

Migration of Handloom Weavers and Artisans to Cities

235. SHRI MADAN LAL KHURANA:
SHRI DHARMABHIKSHAM:

Will the Minister of TEXTILES be pleased to state:

(a) Whether due to the recently announced industrial and financial policies by the Government the handloom weavers and artisans of the country have reached starvation stage and are leading a life of misery;

(b)If so, whether a large number of